

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Application of Southern California Edison Company (U 338-E) for a Commission Finding that its Procurement-Related and Other Operations for the Record Period January 1 Through December 31, 2021 Complied with its Adopted Procurement Plan; for Verification of its Entries in the Energy Resource Recovery Account and Other Regulatory Accounts; and for Recovery of \$25.706 Million Recorded in Five Accounts.

A.22-04-001

JOINT CONFERENCE STATEMENT

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JOINT CONFERENCE STATEMENT

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Pursuant to the March 20, 2012 *Administrative Law Judge’s Ruling Setting Second Status Conference Amending Evidentiary Hearing (“Second Status Ruling”)* of Honorable Administrative Law Judge Lee, Southern California Edison Company (“SCE”), on behalf of itself and Clean Power Alliance of Southern California, California Choice Energy Authority, and Central Coast Community Energy (the “SoCal CCAs”), and California Community Choice Association (“CalCCA”) hereby submits this Joint Conference Statement.¹

I.

RESPONSE TO SECOND STATUS RULING

On March 21, 2023, SCE, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates), SoCal CCAs, and CalCCA (“the parties”) held a second discussion on the need for evidentiary hearings and continue to agree that evidentiary hearings

¹ Per Rule 1.8(d) of the Commission’s Rules of Practice and Procedure, representatives of SoCal CCA and CalCCA authorized SCE to file this Joint Conference Statement on their behalf.

are not needed because there are no material facts in dispute. Evidentiary hearings are typically necessary only when there are material facts in dispute.² The Commission should decline to require evidentiary hearings when no material facts are in dispute in the interest of efficient use of the Commission's and parties' resources. Disputes between the parties in this proceeding go to the ultimate facts and/or legal conclusions the Commission should draw from the material facts in the evidentiary record, *i.e.*, whether SCE prudently managed its contract administration; and whether SCE complied with its Commission-approved tariffs in collecting Franchise Fees from departing load customers in 2021. The evidentiary record is sufficient for the parties to analyze the facts and the law in their opening and reply briefs, after which the Commission will have an adequate record on which to resolve these disputes.

² See Rule 12.3 of the Commission's Rules of Practice and Procedure, stating "[i]f there are no material contested issues of fact, or if the contested issue is one of law, the Commission may decline to set hearing." Cal Advocates participated in the preparation of its positions as stated herein but was unable to obtain its management's approval in time to meet the filing deadline.

II.

SUMMARY OF PARTIES' POSITIONS ON DISPUTED ISSUES

1. Contract Administration and Local Capacity Requirements Products Balance Account (LCRPBA)

Cal Advocates objects to SCE's administration of the contract disputes related to 17 Energy Efficiency LCR contracts with Willdan Energy Solutions, Inc. (Willdan). More specifically, Cal Advocates claims that "SCE failed to notice that there was a lack of specificity in the units of measurement and payment calculation methodology in the original contract."³ SCE did not prudently administer its Willdan contracts, which led to subsequent contract disputes.⁴ Therefore, it is Cal Advocates' position that the settlement between SCE and Willdan does not achieve cost savings for customers. Cal Advocates continues to maintain the position that evidentiary hearings are not necessary to develop the facts for this issue. Cal Advocates' and SCE's direct and rebuttal testimony, and SCE's data request responses sufficiently establish the necessary facts.

CalCCA and SoCal CCAs took no position on this issue in their testimony.

SCE's Position

SCE stated in its rebuttal testimony that it administered all 17 Willdan contracts in accordance with the terms of the contracts and the contract disputes that arose were reasonably resolved.⁵ As such, the Commission should find SCE's contract administration activities to be prudent and reasonable, and the costs recorded in the LCRPBA are appropriate, correctly stated, and in compliance with the Commission decisions.

³ Cal Advocates Opening Testimony, at 4-22.

⁴ See Cal Advocates Opening Testimony, at 4-22, and SCE Rebuttal Testimony, at 3-4.

⁵ SCE Rebuttal Testimony, at 2.

With respect to the Second Status Ruling’s statement that “[a]s one of the issues is whether SCE acted prudently in managing the contracts for Wildan [*sic*] Energy Solution Inc., witness testimony may be necessary to develop the facts”⁶, SCE agrees that Cal Advocates’ and SCE’s direct and rebuttal testimonies contain sufficient facts for the Commission to resolve this dispute and that cross examination testimony should not be necessary because the material facts of this matter are not in dispute.

2. Mountainview Outage

Cal Advocates recommended in its intervenor testimony that the Commission order SCE to 1) prepare a root cause evaluation (RCE) report on the cause of the June 1, 2021 Mountainview Generating Station, Unit 4, outage (Mountainview Outage) in the next ERRA compliance filing on April 1, 2023⁷; 2) comply with General Electric Manual, Steam Turbine-Generator EHC Fluid Specification and Maintenance, on the monthly testing of the Steam Turbine Generator Hydraulic System Fluid⁸; and 3) submit the corrective actions performed by SCE on the findings stated on the Oil Reports on the hydraulic fluid samples taken in 2021, and to submit correct actions in the next ERRA compliance filing on April 1, 2023. Based on the review of data request responses provided by SCE after Cal Advocates served its intervenor testimony, Cal Advocates withdraws these recommendations.

CalCCA and SoCal CCAs took no position on this issue in their testimony.

SCE’s Position

SCE demonstrated in direct and rebuttal testimony that its response to the Mountainview Outage was reasonable, and SCE’s actions prior, during, and after the Mountainview Outage were consistent with industry best practices and SCE’s internal maintenance

⁶ See Second Status Ruling, p. 2.

⁷ Cal Advocates Opening Testimony, at 3-39.

⁸ *Id.*

requirements.⁹ Based on Cal Advocates' withdrawal of its recommendations as noted above, SCE submits that there are no disputes and the Commission should find that SCE prudently operated and maintained the Mountainview Generating Station in 2021.

3. Franchise Fees

The SoCal CCAs recommend that the Commission order SCE to refund \$3.7 million to departing load customers due to double collection of franchise fees during the 2021 record year.¹⁰ SCE acknowledges that it double collected franchise fees by assessing them on the delivery and customer responsibility surcharge (CRS) portion of their bill, as well as a Generation Municipal Surcharge that was calculated using generation charges in compliance with SCE's Commission-authorized tariffs.¹¹ The SoCal CCAs contend that once it is known that a tariff rate has incorrectly over-charged a customer, SCE should be required to correct the tariff and remedy the over-collection to the extent possible.¹²

SCE, the SoCal CCAs, and CalCCA agree that with respect to the franchise fee issue, there is no dispute of material facts and therefore no need for evidentiary hearing. Further, opening and reply briefs will offer ample opportunity to address the remaining legal issues.¹³

Cal Advocates and CalCCA took no position on this issue in their testimony.

SCE's Position

SCE's 2021 ERRAs Forecast Application revenue requirement included specific workpapers that demonstrate how 2021 franchise fee rates would be applied to the PCIA revenue requirement paid by departing load customers.¹⁴ This methodology, which

⁹ SCE Rebuttal Testimony, at 11.

¹⁰ Prepared Direct Testimony of Brian Shuey, at 2.

¹¹ *Id.*

¹² Prepared Direct Testimony of Brian Shuey, at 5-6.

¹³ Prepared Direct Testimony of Brian Shuey, at 2.

¹⁴ SCE Rebuttal Testimony, at 11.

“grosses up” the PCIA revenue requirement by the Franchise Fee rate adopted in SCE’s most-current General Rate Case complied with SCE’s Commission-approved tariffs and was uncontested by the SoCal CCAs in that proceeding.¹⁵ Accordingly, D.20-12-035 incorporated the application of franchise fees to the PCIA revenue requirement and SCE implemented them as part of the implementation of 2021 ERRA Forecast rates.

III.

OTHER PROCEDURAL MATTERS

1. At this time, parties do not plan to conduct cross examination of witnesses because material facts are not in dispute among the parties. Should evidentiary hearings be ordered, the parties reserve the right to re-direct their witnesses based on questions from the bench and parties.
2. SCE’s lead counsel, Mario Dominguez, is unable to attend the Second Status Conference and Evidentiary Hearings and so any correspondence from the Commission on these meetings should be emailed to Janet Combs at Janet.Combs@sce.com.
3. Commission staff Marianne Divina and Uzma Rehman at Marianne.divina@cpuc.ca.gov and Uzma.Rehman@cpuc.ca.gov are included on the service of this Second Joint Status Conference Statement, as requested in the Second Status Ruling.

¹⁵ *Id.*

Respectfully submitted,

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